

U.S. Department of Justice
Washington, DC 20530

Exhibit A
To Registration Statement
Under the Foreign Agents Registration Act of 1938, as amended

OMB No. 1105-0003

*Furnish this exhibit for EACH foreign principal listed in an initial statement
and for EACH additional foreign principal acquired subsequently.*

1. Name and address of registrant BANNERMAN & ASSOCIATES, INC.	888 16th Street, N.W. Washington, D.C. 20006	2. Registration No. 3964
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3. Name of foreign principal Palestinian Authority	4. Principal address of foreign principal Ramallah, West Bank
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5. Indicate whether your foreign principal is one of the following type:

Foreign government

Foreign political party

Foreign or domestic organization: If either, check one of the following:

Partnership

Committee

Corporation

Voluntary group

Association

Entity

Other (specify) _____

Individual—State his nationality _____

6. If the foreign principal is a foreign government, state:

a) Branch or agency represented by the registrant.

b) Name and title of official with whom registrant deals.

N/A

7. If the foreign principal is a foreign political party, state:

a) Principal address

N/A

b) Name and title of official with whom the registrant deals.

c) Principal aim

8. If the foreign principal is not a foreign government or a foreign political party,

a) State the nature of the business or activity of this foreign principal

The Palestinian Authority is a transitional Palestinian government in the West Bank and Gaza, pending a final status agreement between Israel and the Palestinians.

b) Is this foreign principal

- Owned by a foreign government, foreign political party, or other foreign principal Yes No
- Directed by a foreign government, foreign political party, or other foreign principal Yes No
- Controlled by a foreign government, foreign political party, or other foreign principal Yes No
- Financed by a foreign government, foreign political party, or other foreign principal Yes No
- Subsidized in whole by a foreign government, foreign political party, or other foreign principal Yes No
- Subsidized in part by a foreign government, foreign political party, or other foreign principal Yes No

The Palestinian Authority is a transitional government.

9. Explain fully all items answered "Yes" in Item 8(b). (If additional space is needed, a full insert page may be used.)

The Palestinian Authority receives significant foreign assistance from international donors, including the United States.

10. If the foreign principal is an organization and is not owned or controlled by a foreign government, foreign political party or other foreign principal, state who owns and controls it.

N/A

Date of Exhibit A	Name and Title	Signature
11/26/99	M Graeme Bannerman, President	<i>M. G. Bannerman</i>

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Exhibit B**To Registration Statement***Under the Foreign Agents Registration Act of 1938, as amended*

OMB No. 1105-0007

INSTRUCTIONS: A registrant must furnish as an Exhibit B copies of each written agreement and the terms and conditions of each oral agreement with his foreign principal, including all modifications of such agreements; or, where no contract exists, a full statement of all the circumstances, by reason of which the registrant is acting as an agent of a foreign principal. This form shall be filed in duplicate for each foreign principal named in the registration statement and must be signed by or on behalf of the registrant.

Name of Registrant	Name of Foreign Principal
Bannerman & Associates, Inc.	Palestinian Authority

Check Appropriate Boxes:

1. The agreement between the registrant and the above-named foreign principal is a formal written contract. If this box is checked, attach two copies of the contract to this exhibit.
 2. There is no formal written contract between the registrant and foreign principal. The agreement with the above-named foreign principal has resulted from an exchange of correspondence. If this box is checked, attach two copies of all pertinent correspondence, including a copy of any initial proposal which has been adopted by reference in such correspondence.
 3. The agreement or understanding between the registrant and foreign principal is the result of neither a formal written contract nor an exchange of correspondence between the parties. If this box is checked, give a complete description below of the terms and conditions of the oral agreement or understanding, its duration, the fees and the expenses, if any, to be received.
4. Describe fully the nature and method of performance of the above indicated agreement or understanding.

Employees of Bannerman & Associates will meet with representatives of the Palestinian Authority to develop a strategy for enhancing the U.S.-Palestinian Authority relationship. Bannerman & Associates will also utilize written communications to provide the Palestinian Authority with relevant information on topics of interest.

5. Describe fully the activities the registrant engages in or proposes to engage in on behalf of the above foreign principal.

Employees of Bannerman & Associates will hold meetings with Members of Congress, Congressional staff, and the Executive Branch in order to educate them on the concerns of the Palestinian Authority. Bannerman & Associates will also assist the Washington representatives of the Palestinian Authority in their efforts to promote U.S.-Palestinian relations. Bannerman & Associates will monitor all issues relevant to the Palestinian Authority. Bannerman & Associates will also help the Palestinian Authority convey its views to a wide range of persons in the U.S.

Bannerman & Associates received payment from the Palestinian Authority on November 26, 1999. The agreement was not implemented until payment was received. Furthermore, no lobbying or other activities on behalf of the Palestinian Authority have been undertaken to date.

6. Will the activities on behalf of the above foreign principal include political activities as defined in Section 1(o) of the Act?¹

Yes No

If yes, describe all such political activities indicating, among other things, the relations, interests or policies to be influenced together with the means to be employed to achieve this purpose.

Employees of Bannerman & Associates will hold meetings with Members of Congress, Congressional staff, and the Executive Branch in order to educate them on the concerns of the Palestinian Authority. Any issues affecting foreign policy or the relationship of the U.S. to our clients is of potential interest, including, but not limited to, foreign assistance, defense, trade, and international visits of representatives of the Palestinian Authority.

Date of Exhibit B	Name and Title	Signature
11/26/99	M. Graeme Bannerman President	

¹Political activity as defined in Section 1(o) of the Act means the dissemination of political propaganda and any other activity which the person engaging therein believes will, or which he intends to, prevail upon, indoctrinate, convert, induce, persuade, or in any other way influence any agency or official of the Government of the United States or any section of the public within the United States with reference to formulating, adopting, or changing the domestic or foreign policies of the United States or with reference to the political or public interests, policies, or relations of a government of a foreign country or a foreign political party.

RETAINER AGREEMENT

THIS AGREEMENT is made between the PALESTINIAN Authority ("the Government") and Bannerman and Associates, Inc. (the "Firm").

- 1) The Palestinian Authority and the Firm have agreed that the Firm will render government relations services to assist the Palestinian Authority, working closely with the Palestinian Office in Washington, to further enhance and develop the U.S. - Palestinian bilateral relationship. The Firm will assist the Palestinian Authority in identifying goals and objectives and developing strategies to achieve these goals. The Firm will provide the Palestinian Authority with advice and assistance to further improve and complement contacts with all levels of the United States Government.
- 2) In order to assist the Palestinian Authority to advance more effectively the interests of Palestinians in Washington and to improve the U.S. - Palestinian relationship, the Firm will augment the Palestinian Authority and its Washington Office efforts by:
 - Developing with the Palestinian Authority a clear strategy to promote Palestinian interests in Washington;
 - Generating with the Palestinian Authority creative, concrete approaches to enhance existing relations and to meet challenges in the bilateral relationship;
 - Meeting with the Palestinian Office representatives and the Office staff to coordinate efforts on behalf of the Palestinian Authority;
 - Working with the Palestinian Authority, the U.S. Administration, and Congress to strengthen and enhance the bilateral relationship;
 - Providing the Palestinian Authority with regular analysis of specific aspects of current thinking in Washington on issues of importance;
 - Covering and reporting on Congressional hearings, markups, and conference committee meetings that are relevant to the Palestinian Authority;

- Maintaining day-to-day contacts with Congressional staff and Administration officials;
 - Tracking and interpreting introduced or pending legislation which may be relevant to the Palestinian Authority and reporting our assessment of these issues back;
 - Providing advice on the coordination of Congressional staff visits to the West Bank and Gaza; and,
 - Suggesting, identifying, and helping to undertake other initiatives which could benefit Palestinians and further strengthen the U.S. - Palestinian relationship.
- 3) The Firm will prepare weekly memoranda on developments in Washington which are relevant to the Palestinian Authority. In addition, memoranda on other issues of interest will be prepared as such issues arise.
- 4) The Firm will be available at all times to advise and assist the Palestinian Authority and its Washington Office. Regular contacts will be established between personnel of the Firm and the Washington Office of the Palestinian Authority. The representative will be kept informed of the issues of importance to Palestinians on which the Firm is active.
- 5) The Firm will help develop and initiate a public relations campaign, which will help counter negative media coverage of the Palestinian Authority and present Palestinian views in the best possible light.
- 6) The firm will commit to work with a relevant counterpart team representing the Palestinian Authority on a work program based on the priorities established by the Palestinian Authority during the first two months after signature of this contract.
- 7) The firm will work with a designated counterpart team as appointed by the Palestinian Authority, and will continue to build capacity among the team in the areas of communications, writing and lobbying skills in the US.

- 8) The firm and the counterpart team will agree on a model of communication to ensure a consistent and dynamic relation which will involve close contacts with the Palestinian Office in Washington DC and with the Palestinian Authority in the West Bank and Gaza respectively.
- 9) The firm will provide general advice and assistance to the Palestinian Authority as it tries to outsource other specialized firms in the USA in the areas of public relations, advertising, marketing, corporate relations, legal and other advice within the area of the expertise of the firm.
- 10) For the above and other identified services, the Palestinian Authority will compensate the Firm at the rate of \$375,000.00 each six months, inclusive of all expenses incurred by the Firm in Washington. Any costs for travel outside of Washington borne by the Firm at the request of the Palestinian Authority will be reimbursed to the Firm.

Payments will be made semiannually in the sum of Three-hundred and Seventy-five Thousand Dollars (\$375,000.00) and will be payable at the beginning of each period: October 15, 1999, April 15, 2000, October 15, 2000, April 15, 2001, October 15, 2001, and April 15, 2002.

- 11) This agreement shall cover a term of thirty-six months, beginning on the effective date of October 15, 1999 and will be automatically extended annually on the same terms and conditions unless either party terminates or modifies the Agreement by written notice sixty (60) days in advance of the anniversary date of the Agreement.
- 12) In connection with the above outlined representation, it is understood that the Firm will be required under United States law to register its representation of the Palestinian Authority with the United States Government, and that the Firm will comply with all requirements of United States law in this connection.

IN WITNESS THEREOF, THE Parties have caused this Agreement to be executed by their duly authorized representatives on the dates written below:

Palestinian Authority

Bannerman and Associates, Inc.

To Be Designated



Mohamad Rackid
Economic Advisor to President Yasser Arafat

To Be Designated



DATE: October 10, 1999

DATE: 10/15/99